[*English*]

Violation of Companies Act by Companies in Rajasthan

2983. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) the details of companies functioning in Rajasthan which come under the purview of the Companies Act, 1956 and are violating the provisions of sections 109, 160, 161, 220 & 621A of the said Act, and

(b) the action being taken by the Government against these companies?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) and (b). During the period from 1.4.90 to 28.2.92, prosecutions were launched against 161 companies in Rajasthan for contravention of the provsions of section 159 of the Companies Act, 1956 relating to filling of annual returns with the Registrar of Companies by companies having a share capital and of section 220 relating to filing of Balance Sheet and Profit & Loss account. Section 109 is about validity of transfer of share or other interest by legal refpresentative of a deceased member and there can be no question of its violation. Section 160 pertains to filing of annual returns by companies not haivng a share capital and there were no prosecution cases under that section. Section 161 is about the requirement of signatures of prescribed persons on annual returns; and where the annual returns were not filed, section 161 or its breach would not come into play. Section 621-A is in respect of composition of offences and there were no cases of prosecutions in Rajasthan for violation of orders made under that section.

Supply of Abridged Report by Companies to Share Holders

2984. SHRI GIRDHARI LAL BHARGAV: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether some companies which come under the purview of the Companies Act, 1956 are violating the section 220 of the said Act;

(b) if so, whether a number of companies have sent only abridged report (excluding balance sheet) to their share-holders instead of sending complete Balance Sheet and its profit and loss account to clear the financial position of the concerned company's; and

(c) if so, the reasons therefor and the steps taken/proposed to be taken by the Government to ensure the supply of complete Balance Sheet and its profit and loss account to every share-holders by each company?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) Yes, Sir. Section 220 of the Companies Act, 1956 relates to filing of balance sheet, etc. with Registrar of companies. Proceedings, as per law, are taken in case of such violations.

(b) and (c). Section 219 (1) (b) (iv) of the Companies Act, 1956, provides that the balance sheet and profit and loss account need not be sent to every member in the case of a company whose shares are listed on a recognised stock exchange, if the copies of these documents are made available for inspection at its registered office and a statement containing the salient features of such documents in the prescribed form or